Canadian Grain Commission

2015–16

Departmental Performance Report

The Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

2015-16 Departmental Performance Report

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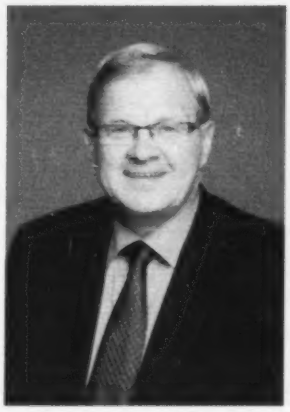
Minister's Message



I am pleased to submit the Canadian Grain Commission's (CGC) *Departmental Performance Report* for fiscal year 2015-16 to Parliament and Canadians.

This report details how the CGC used its resources from April 1, 2015 to March 31, 2016, to regulate grain handling and establish and maintain grain standards, while protecting the interests of producers and ensuring a dependable commodity for domestic and export markets. The CGC is Canada's scientific research organization on grain quality and conducts scientific research to understand all aspects of grain quality and grain safety. Canada's global reputation as a supplier of grain that is consistent in quality and safety is thanks, in large part, to the work of the CGC.

As Canada's Minister of Agriculture and Agri-Food, I will continue to work with the CGC and all stakeholders to ensure Canada's grain sector remains strong, competitive and sustainable through a focus on exports, value-added processing, research and innovation, and grain transportation. Canada has the best farmers and food processors in the world, and a dedicated public service. As Canada's Minister of Agriculture and Agri-Food, I am proud to serve this dynamic sector.

I would like to take this opportunity to thank all CGC employees for their hard work and dedication and I look forward to working together to keep Canada's agricultural sector innovative and prosperous, and to deliver real results for Canadians.

The Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

Chief Commissioner's Message

Since 1912, the Canadian Grain Commission (CGC) has served as the federal government department that administers the provisions of the *Canada Grain Act*. The CGC is responsible for establishing and maintaining standards of quality for Canadian grain and regulating Canada's grain handling system to ensure the dependability of grain as a commodity for domestic and export markets.

Our programs and services result in shipments of grain that consistently meet contract specifications for quality, safety and quantity. With much growth and rapid change in the Canadian grain sector, the CGC continued to adapt programs to provide relevant and essential services to our many stakeholders. We are committed to working with all stakeholders to ensure Canada's Grain Quality Assurance System continues to build on its reputation as the best in the world and to provide optimum value for Canadian grain producers and all stakeholders in the grain sector.

I am pleased to report that, once again, the CGC received an unqualified audit opinion on its annual financial statements. A copy of the audited financial statements[i] is available on the CGC's website.

As acting Chief Commissioner, I am proud of the CGC's ongoing exemplary work to effectively meet the needs of producers, the grain industry and all Canadians. I invite you to read this report to learn more about the CGC's accomplishments and how the organization carried out its mandate during the 2015-16 reporting period.

Jim Smolik
Acting Chief Commissioner
Canadian Grain Commission

Results Highlights

What funds were used?

CGC actual spending for 2015–16 was $55,306,931. This was funded by annual voted and statutory appropriation of $5,601,106 and user fees revenue of $49,705,825.

Who was involved?

Actual full time equivalents (FTEs) = 395

Results Highlights

- Engaged collaboratively with stakeholders and successfully delivered all programs and services efficiently and effectively. All program key performance indicator targets and all service standard targets for regulatory user fees were met.
- Consulted extensively with stakeholders on a proposal to modernize Canada's wheat class system. Based on stakeholder feedback, a plan was developed and implementation of changes has begun.
- Met with international customers of Canadian grain from Latin America, Asia, Europe, the Middle East and North Africa during the 2015 New Crop Missions, a joint initiative between the Canadian International Grains Institute (CIGI), Cereals Canada and the CGC, to exchange information and establish and maintain relationships.
- Completed an evaluation of the CGC's Harvest Sample Program. Feedback will be used to enhance and improve the program.
- Conducted a strategic planning exercise with nine external experts to identify future direction and priorities for scientific and technology programs within the CGC's Grain Research Laboratory.
- Initiated a review of the CGC user fees schedule and grain volume projections as part of the organization's five year user fees review cycle. Consultations are planned during the 2016-17 fiscal year.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister: The Honourable Lawrence MacAulay, P.C., M.P.

Institutional Head: Jim Smolik, Acting Chief Commissioner

Ministerial Portfolio: Agriculture and Agri-Food (AAF)

Enabling Instrument: *Canada Grain Act*[ii], R.S.C. 1985, c. G-10

Year of Incorporation / Commencement: 1912

Other: The CGC's head office is located in Winnipeg, Manitoba. The CGC currently operates two regional offices and eight service centres across Canada. Funding for CGC programs and activities is through a combination of revolving fund and appropriation sources.

Organizational Context

Raison d'être

The CGC is a federal government agency that administers the provisions of the *Canada Grain Act*. The CGC's **mandate** as set out in the *Canada Grain Act* is to, "in the interests of the grain producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The CGC's **vision** is: *"To be a world class, science-based quality assurance provider"*. The Minister of Agriculture and Agri-Food is responsible for the CGC.

Responsibilities

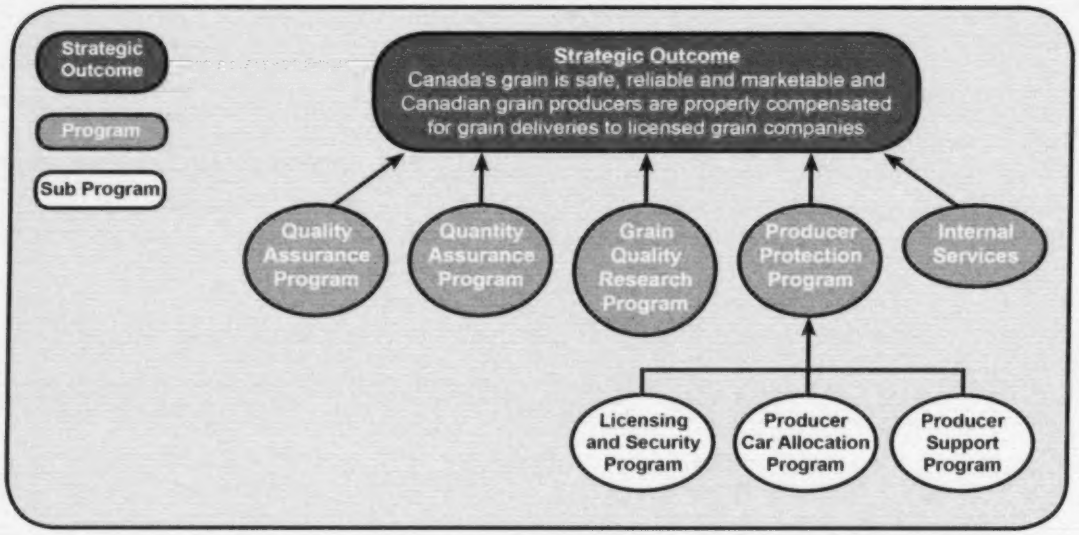
Under the *Canada Grain Act*, the CGC regulates the handling of 20 grains grown in Canada to ensure Canada's grain is safe, reliable and marketable, and Canadian grain producers are properly compensated for grain deliveries to licensed grain companies.[1] The CGC is a federal agency in Canada's grain sector and is the official certifier of Canadian grain export shipments. Through its activities, the CGC supports a competitive, efficient grain sector and upholds Canada's international reputation for consistent and reliable grain quality and grain safety. To achieve its mandate, the CGC:

- regulates grain handling in Canada through the grain quality[iii] and quantity assurance[iv] programs,
- carries out scientific research[v] to understand all aspects of grain quality and grain safety and to support the grain grading system, and
- has implemented a number of producer protection programs[vi] and safeguards to ensure producers are properly compensated for the quality and quantity of grain delivered to licensed grain elevators and grain dealers. This includes the licensing and security program, the producer car allocation program, and the producer support program.

Additional information on the CGC's mandate and responsibilities[vii] is available on the CGC website.

1. Grain refers to any seed designated by regulation as a grain for the purposes of the *Canada Grain Act*. This includes barley, beans, buckwheat, canola, chick peas, corn, fababeans, flaxseed, lentils, mixed grain, mustard seed, oats, peas, rapeseed, rye, safflower seed, soybeans, sunflower seed, triticale and wheat.

Strategic Outcome and Program Alignment Architecture


Strategic Outcome
Program
Sub Program
Strategic Outcome
Canada's grain is safe, reliable and marketable and Canadian grain producers are properly compensated for grain deliveries to licensed grain companies
Quality Assurance Program
Quantity Assurance Program
Grain Quality Research Program
Producer Protection Program
Internal Services
Licensing and Security Program
Producer Car Allocation Program
Producer Support Program

1. Strategic Outcome: Canada's grain is safe, reliable and marketable and Canadian grain producers are properly compensated for grain deliveries to licensed grain companies

- **1.1 Program: Quality Assurance Program**
- **1.2 Program: Quantity Assurance Program**
- **1.3 Program: Grain Quality Research Program**
- **1.4 Program: Producer Protection Program**
  - **1.4.1 Sub-Program: Licensing and Security Program**
  - **1.4.2 Sub-Program: Producer Car Allocation Program**
  - **1.4.3 Sub-Program: Producer Support Programs**
- **Internal Services**

Operating Environment and Risk Analysis

The CGC operates in a rapidly evolving environment. As a result, the CGC must be able to adjust programs and services to assure consistent and reliable grain quality and grain safety that meets the needs of international and domestic markets and to ensure Canadian grain producers are protected. Risk management is an essential part of strategic planning and decision making at the CGC.

While the majority of risk associated with CGC programs and activities is inherent and constant, some risk varies according to changes in the internal and external environment. Inherent risk includes risks associated with assuring accurate quality and quantity assessment and accurate certification of Canadian grain. These risks are addressed by continuous monitoring and adjustments in order to bring residual risk to tolerable levels. Feedback from CGC employees, producers, grain handlers, domestic and international grain buyers and processors, and other government organizations has proven to be a reliable early indicator of risk arising from developments in the internal or external environments.

The CGC has an established process in place to identify, monitor, mitigate and manage corporate level risks. Corporate level risks and mitigation strategies are reviewed regularly and during the annual strategic planning process. Key risks for the upcoming fiscal year are identified based on current internal and external factors. The CGC's Integrated Risk Management Working Group (IRMWG) meets quarterly to review and assess CGC risks and risk response strategies. CGC senior management evaluates key corporate risks on a quarterly basis, monitors risk trends and adjusts and/or identifies additional mitigation strategies and/or contingency plans accordingly.

Key Risks

Risk	Risk Response Strategy	Link to the Organization's Program
Adapting the organization to remain relevant to CGC stakeholders	This risk was identified in the 2015-16 RPP and was successfully mitigated during the reporting period. The CGC's organizational priorities "relevant, efficient and innovative programs and services", "investing in CGC infrastructure", and "investing in stakeholder relations" were aimed at mitigating this risk. For example, during 2015-16 the CGC: • Conducted an external review of the CGC's Grain Research Laboratory scientific research and technology programs. • Completed an evaluation of the CGC's Harvest Sample Program.	This risk is linked to all CGC programs.

	• Renewed facilities and updated technology to efficiently and effectively deliver programs and services. • Engaged stakeholders to increase CGC understanding of stakeholder requirements and increase stakeholder awareness and understanding of CGC programs. For example, the CGC consulted extensively with stakeholders on a plan to modernize Canada's wheat class system. Feedback was considered and the plan was adjusted based on input received.	
Stakeholder pressure related to the CGC funding model	While updated user fees took effect on August 1, 2013, there continues to be external pressure and corresponding risks related to the CGC's funding structure. This risk was identified in the 2015-16 RPP. During 2015-16, as part of the organization's five year review cycle, the CGC: • Commenced a review of the fees structure to ensure that going forward user fees accurately reflect the costs of providing services and reflect updated grain volume projections. • Worked closely with Agriculture and Agri-Food Canada (AAFC) and other government departments to prepare for user fees consultations planned during 2016-17.	This risk is linked to all CGC programs.
Capacity to deliver programs and adapt to change	This risk was identified in the 2015-16 RPP and was successfully mitigated during the reporting period. The priority "skilled, adaptable, engaged workforce" is aimed at mitigating this risk. The following risk responses were used to successfully reduce risk exposure: • Capacity trends were monitored to ensure sufficient human resource capacity to carry out day-to-day operational work while at the same time adapting to changes in the internal and external environments. • Projects and activities were monitored, adjusted, re-prioritized, and re-scheduled as required (e.g. do, drop or defer based on priority and capacity). • Several targeted staffing processes were initiated to address gaps in capacity. Intake into the Grain Inspector Development Program continued. • Continued internal communication to ensure employees understand their roles and how they contribute to CGC programs and the departmental mandate.	This risk is linked to all CGC programs.

Organizational Priorities

Name of Priority: Relevant, efficient and innovative programs and services

Description

Relevant, efficient and innovative CGC programs and services is a priority that supports the CGC's mandate to "establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets." The goal of this priority is to continue to effectively provide services that ensure a robust grain quality and grain safety assurance system that meets stakeholder needs and supports the competitiveness and marketability of Canadian grain in both domestic and international markets. To achieve this priority, the CGC must work in close collaboration with all stakeholders, including producers, grain handlers and processors, end-users of Canadian grain, Agriculture and Agri-Food Canada (AAFC), and other domestic and foreign government entities.

Priority Type[2]

Previously committed to

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• **Adjust programs and service delivery models** to remain relevant, cost effective and innovative. For example, during 2015-16 an external review of the CGC's Grain Research Laboratory (GRL) scientific research and technology programs was conducted. The producer car program was updated to ensure the program provides timely and efficient services to producers and producer car administrators. In addition, an evaluation of the Harvest Sample Program was completed. Feedback is being used to improve and enhance these programs going forward.	**2014-15**	**Ongoing**	On track	This initiative is linked to all programs.
• **Update CGC user fees and service standards** as part of the organization's five year user fees review cycle. This includes a	**2015-16**	**April, 2018**	On track	This initiative is linked to all programs.

2. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

review of the model used to forecast annual grain volumes. User fees consultations, as required by the *User Fees Act*[viii], are planned during 2016-17.				
• During 2015, the CGC consulted with stakeholders on plans to modernize Canada's wheat class system[ix]. Based on feedback, several changes were announced to meet Canada's wheat production, handling, marketing, and domestic and international end-user needs. Based on feedback, several changes were announced to meet Canada's wheat production, handling, marketing, and domestic and international end-user needs. Changes include implementing two new classes (Canada Northern Hard Red and Canada Western Special Purpose) and eliminating three other classes (Canada Western Interim Wheat, Canada Western General Purpose, and Canada Western Feed) effective August 1, 2016. Effective August 1, 2018, 25 varieties of Canada Western Red Spring and 4 varieties of Canada Prairie Spring Red wheat will transition to the new Canada Northern Hard Red class. The 29 varieties are moving to the Canada Northern Hard Red class because they do not meet revised quality parameters for their designated classes. The CGC will continue ongoing discussions with stakeholders to ensure effective and timely communication of information and procedures.	**February, 2015**	**August, 2018**	On track	This initiative is linked to the Quality Assurance Program

Progress Toward the Priority

This priority is ongoing and progress was made on all 2015-16 planned initiatives. As noted in the CGC's *2015-16 Report on Plans and Priorities*, Bill C-48 - *Modernization of Canada's Grain Industry Act*[x], introduced in Parliament on December 9, 2014, included further amendments to the *Canada Grain Act* to complement amendments made as part of the *Jobs and Growth Act, 2012*. Proposed amendments were aimed at enhancing producer protection and grain quality and grain safety assurance. Bill C-48 received first reading in in the House of Commons but was dropped from the Order Paper when Parliament was dissolved for the 2015 fall election. Going forward, the CGC will continue to investigate opportunities to enhance producer protection programs and services, adjust processes and protocols to improve and enhance grain quality and safety assurance activities, refine quantity assurance processes and protocols, and enhance enforcement activities.

Name of Priority: Investing in CGC Infrastructure

Description

To ensure the ongoing viability of the CGC and provide programs and services as efficiently and effectively as possible, a priority is to invest in infrastructure, including technology. This priority directly supports delivery of the CGC's mandate and all programs.

Priority Type[3]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• **Infrastructure renewal.** Renovations at terminal elevator facilities were initiated and work is ongoing. Plans are underway to reduce the Thunder Bay Regional Office footprint when the lease expires in September, 2016. In addition, a decision was made to relocate the Chatham Service Centre to Hamilton in a smaller office space when the Chatham lease expires in 2017. Due to a changeover in Government of Canada building managers, the Winnipeg head office space renovation project that was planned during 2015-16 is now projected for completion in 2016-17. The renewal of the Grain Research Laboratory is in its early stages and work is progressing.	**2015-16**	**Ongoing**	On track	This initiative is linked to all CGC programs.
• **Investment in technology.** This initiative includes developing and delivering enabling technologies internally, as well as updating and enhancing electronic services for our clients. For example, during 2015-16 the CGC successfully adopted SAP as a new financial system (effective April 1, 2016), transitioned to the Phoenix pay system and managed challenges associated with its implementation, and initiated a network	**2015-16**	**Ongoing**	On track	This initiative is linked to all CGC programs.

3. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

rationalization project to increase bandwidth. To align with the Government of Canada's Workplace 2.0 and Destination 2020 initiatives, the CGC commenced a project to ensure Wi-Fi is available to CGC staff and is enhancing videoconferencing capabilities to improve collaboration both internally and externally. Future plans include integrating and enhancing electronic information flow with stakeholders and implementing My Government of Canada Human Resources (My GCHR).				

Progress Toward the Priority

This priority was initiated in 2015-16 and is ongoing. Significant progress, as described above, has been made towards planned initiatives. Going forward, the CGC will continue to investigate opportunities to renew facilities and update technology to allow the CGC to continue to meet its mandate and deliver services effectively and efficiently. The CGC will continue to work in close collaboration with stakeholders and central agencies to make further progress towards this priority.

Name of Priority: Skilled, adaptable, and engaged workforce

Description

In light of significant changes experienced at all levels of the organization and in line with the principles of Blueprint 2020, this priority is aimed at fostering a work environment where employees are engaged, equipped and supported as they adapt to ongoing change. Progress towards this priority will ensure employees have the necessary skills and supports to deliver high quality programs and services now, and are equipped to respond to future needs of internal and external stakeholders.

Priority Type[4]

Previously committed to

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• Develop and implement **three year action plans** in the following key areas: o talent management, including hiring and developing the next generation of grain inspectors through the Grain Inspector Development Program (GIDP); o preserving a healthy and respectful workplace; and o business process improvement and transformation.	**2015-16**	**2017-18**	On track	This initiative is linked to all CGC programs.

Progress Toward the Priority

This priority is ongoing. Action plans in all key areas (workplace culture, talent management, and business process improvement) have been developed and implementation of the action plans is underway. During 2015-16, the results of the 2014 Public Service Employee Survey[xi] were used to develop and incorporate strategies into people planning that will maintain areas of strength, address opportunities for improvement, and enhance the CGC work environment and culture. Overall, CGC survey results were quite positive. By investing in the CGC workforce, the organization will be well positioned to deliver upon its mandate and serve producers and the grain industry into the future.

4. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Name of Priority: Investing in Stakeholder Relations

Description

CGC stakeholders include Canadian grain producers, grain handlers, grain exporters, grain buyers, domestic and international end-use customers, the Canadian public, and government. The CGC provides value along the entire supply chain from producers to global consumers of Canadian grain. While the CGC plays a key role in supporting Canadian exporters to market successfully in competitive international grain markets, general knowledge of what the CGC does and our role in domestic and international grain markets is limited. In order to succeed in a rapidly changing and complex environment, building constructive relationships with all stakeholders will be a focus during the planning period.

Priority Type[5]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Programs
• **Engage collaboratively with all stakeholders.** The goal of this initiative is to understand stakeholder needs and requirements and to expand awareness and appreciation of CGC programs and activities.	**2015-16**	**Ongoing**	On track	This initiative is linked to all CGC programs.

Progress Toward the Priority
This priority was identified in 2015-16 and is ongoing. To make progress towards the priority, the CGC promoted awareness of CGC activities and services with the intention of increasing stakeholder understanding of the organization's role in the grain sector. This included engaging producers, grain handlers, domestic and international end–use customers, elected officials, central agencies, and domestic and foreign government entities, including embassies, to expand understanding and appreciation for CGC programs and activities. During 2015-16, representatives from the CGC, the Canadian International Grains Institute (CIGI), Cereals Canada, as well as industry and producer organizations participated in New Crop Missions to Latin America, Asia, Europe, the Middle East and North Africa. New Crop Missions provide an opportunity for the exchange of information regarding quality factors in the current year's crops (including baking and milling characteristics), to address any concerns related to end use attributes, and to establish and maintain government-to-government relationships. They also provide the CGC with an opportunity to exchange information with end use customers about

5. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

the CGC's programs and services. CGC representatives met with producer and industry organizations, including the Canadian Federation of Agriculture, Western Canadian Wheat Growers Association, Canadian National Millers Association, Grain Growers of Canada, Canadian Canola Growers Association, Grain Farmers of Ontario, Keystone Agricultural Producers, Agricultural Producers of Saskatchewan, Western Grain Elevators Association, Cereals Canada, Prairie Oat Growers, Keystone Agricultural Producers, Alberta Wheat Commission, and the Saskatchewan Wheat Development Commission to promote awareness and obtain feedback on CGC programs and services and to increase CGC understanding of producer and industry needs in order to enhance and improve program delivery. Going forward, the CGC will continue to invest in stakeholder relations to ensure that CGC services are recognized as being relevant and valuable.

For more information on organizational priorities, see the Minister's mandate letter.[xii]

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
Total Program Expenditure Spending	60,537,521	60,537,521	60,737,711	55,306,931	(5,230,590)
Revolving Fund					
Total revenue*	(55,062,344)	(55,062,344)	(55,136,605)	(76,516,074)	(21,453,730)
Surplus to fund future expenditures	-	-	-	26,810,249	26,810,249
Revenue used to offset expenditures	(55,062,344)	(55,062,344)	(55,136,605)	(49,705,825)	5,356,519
Voted and Statutory					
Voted and Statutory Spending	5,475,177	5,475,177	5,601,106	5,601,106	125,929

* Note: Total revolving fund revenue is net of proceeds of disposition.

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
404	395	(9)

Budgetary Performance Summary

Budgetary Performance Summary for Programs and Internal Services (dollars)

Programs and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
Quality Assurance Program	30,665,359	30,665,359	28,835,016	29,312,602	30,665,359	26,136,529	29,782,644	36,108,210
Quantity Assurance Program	1,752,902	1,752,902	1,915,901	1,947,634	1,752,902	1,602,533	2,073,118	10,988,215
Grain Quality Research Program	7,437,753	7,437,753	9,785,958	9,948,040	7,564,193	8,006,761	8,857,999	12,091,194
Producer Protection Program	3,563,722	3,563,722	3,861,205	3,925,157	3,563,722	3,511,286	3,542,298	3,614,362
Internal Services	17,117,785	17,117,785	17,351,752	17,639,144	17,191,535	16,049,822	14,949,633	15,729,596
Total Spending	**60,537,521**	**60,537,521**	**61,749,832**	**62,772,577**	**60,737,711**	**55,306,931**	**59,205,692**	**78,531,577**
Revolving Fund								
Total revenue*	(55,062,344)	(55,062,344)	(56,367,908)	(57,390,653)	(55,136,605)	(76,516,074)	(76,118,038)	(53,177,599)
Surplus to fund future expenditures	-	-	-	-	-	26,810,249	24,403,140	9,588,582
Revenue used to offset expenditures	(55,062,344)	(55,062,344)	(56,367,908)	(57,390,653)	(55,136,605)	(49,705,825)	(51,714,898)	(43,589,017)
Voted and Statutory								
Voted and Statutory Spending	5,475,177	5,475,177	5,381,924	5,381,924	5,601,106	5,601,106	7,490,794	34,942,560

* Note: Total revolving fund revenue is net of proceeds of disposition.

Fiscal years 2013-14 and 2014-15 were transition years for the CGC as a result of updates to user fees and amendments to the *Canada Grain Act* that came into effect concurrently on August 1, 2013. These changes resulted in a significant reduction in CGC operating costs and FTE requirements. Program spending for 2015-16 and future years reflects spending under the amended *Canada Grain Act.* It is anticipated the CGC's spending will stabilize at approximately $61.750 million in 2016-17. This will be funded by annual voted and statutory appropriation of

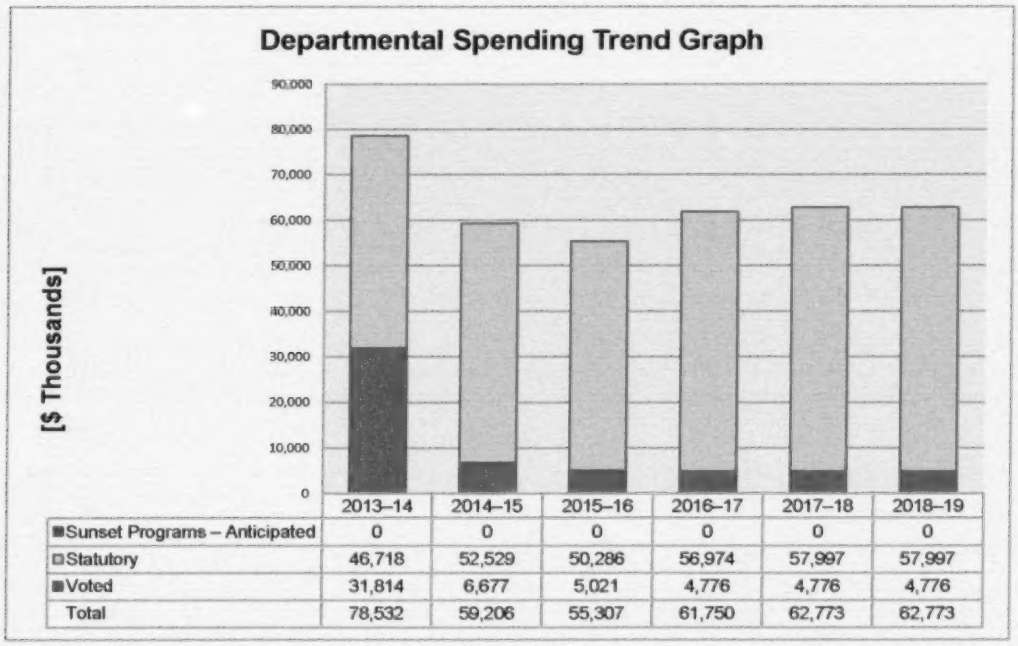
$5.382 million and annual user fees revenue of approximately $56.368 million. Spending on internal services in 2015-16 and future years is higher than 2014-15 amounts because human resource costs previously funded by AAFC are now being funded by the CGC. Internal services include activities that support and enable delivery of the CGC's programs and services to CGC stakeholders.

2015-16 actual spending ($55.307 million) is $5.231 million less than planned spending ($60.538 million). This is primarily due to decreased operational spending related to staffing and project delays related to infrastructure renewal.

CGC revenues and expenditures are dependent on annual grain volumes and crop quality that can fluctuate considerably from year to year due to a number of factors, including environmental conditions. The CGC's current user fees structure and revenue projections are based on annual average grain volumes of 23.253 million metric tonnes. To calculate the average of 23.253million metric tonnes, the CGC used a historical 15 year average of grain volumes inspected and weighed upon export. As a result of higher than projected annual grain volumes, total revolving fund revenue for 2013-14 through 2015-16 was higher than expected. This has resulted in revolving fund surpluses of $9.589 million in 2013-14, $24.403 million in 2014-15, and $26.810 in 2015-16. Actual 2014-15 and 2015-16 grain volumes were 37.937 and 38.428 million metric tonnes respectively.

During 2015-16, the CGC initiated a review of its user fees schedule and grain volume projections as part of the organization's five year user fees review cycle. The review includes consultations with stakeholders as required by the *User Fees Act* (UFA). Consultations are planned during the 2016-17 fiscal year. It is anticipated that updated user fees will be in place by April 1, 2018.

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0	0	0	0	0	0
Statutory	46,718	52,529	50,286	56,974	57,997	57,997
Voted	31,814	6,677	5,021	4,776	4,776	4,776
Total	78,532	59,206	55,307	61,750	62,773	62,773

The Spending Trend Graph shows CGC actual spending (2013-14 through 2015-16) and planned spending (2016-17 through 2018-19). Fiscal years 2013-14 and 2014-15 were transition years for the CGC as a result of updates to user fees and amendments to the *Canada Grain Act* that came into effect concurrently on August 1, 2013. Amounts for 2018-19 are consistent with 2017-18 amounts as they do not include adjustments for inflation or updated user fees.

Funding for fiscal years 2013-14 and 2014-15 included a combination of an ongoing appropriation, ad hoc appropriation and authority to re-spend revenues collected from fees. Spending for fiscal year 2015-16 and future years is based on operations under an amended *Canada Grain Act* and updated user fees. Fiscal year 2015-16 is the first full year for the CGC under its updated user fess structure. Going forward, the CGC will receive ongoing annual appropriation of $5.382 million. This includes $4.776 million in voted appropriation as well as $0.606 million of statutory funding in support of the Employee Benefits Plan.

The CGC revolving fund is fully funded by user fees. The *Guide on Revolving Funds Policy and Accounting Issues* identifies that the fee structure should reflect the operational costs of the services provided over the following five years and that revenues earned should offset the associated costs of the service. It is important to note that CGC revenues are dependent on

annual grain volumes that can fluctuate considerably from year to year, and are not fully known prior to commencement of the fiscal year. These factors can result in significant variances between CGC projected revenues and actual revenues. Because actual grain volumes vary from year to year, in years with higher-than-average grain volumes, revenues may exceed costs and the CGC could accumulate surpluses. In years with lower-than-average grain volumes, revenues could be less than costs and the CGC is required to draw on its surpluses.

During 2015-16, as part of a five year review cycle, the CGC commenced a review of its fees structure to ensure that user fees accurately reflect the costs of providing services and reflect updated grain volume projections. Currently, the CGC's user fees structure and revenue projections are based on a historical average annual grain volume of 23.253 million metric tonnes. To calculate the annual average of 23.253million metric tonnes, the CGC used a 15 year average of grain volumes inspected and weighed upon export. During 2015-16, the CGC reviewed the model used to forecast annual grain volumes. An updated model has been developed based on a time-series statistical analysis method. The model has been reviewed and validated by several independent third party experts. Any adjustments to the fees structure and user fees will be made upon completion of the user fees review and stakeholder consultations as required by the *User Fees Act*. It is anticipated that an updated fees structure and updated user fees will be in place in April, 2018.

Expenditures by Vote

For information on the Canadian Grain Commission's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016*.[xiii]

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending With the Whole-of-Government Framework[xiv] (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
Quality Assurance Program	Economic Affairs	An innovative and knowledge-based economy	26,136,529
Quantity Assurance Program	Economic Affairs	An innovative and knowledge-based economy	1,602,533
Grain Quality Research Program	Economic Affairs	An innovative and knowledge-based economy	8,006,761
Producer Protection Program	Economic Affairs	A fair and secure marketplace	3,511,286

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	43,419,736	39,257,109
Social affairs	0	0
International affairs	0	0
Government affairs	0	0

Financial Statements and Financial Statements Highlights

Financial Statements

Fiscal year 2015-16 CGC audited financial statements[xv] are available on the CGC website. Once again, the CGC received an unqualified audit opinion of its annual financial statements. The CGC's 2015-16 financial statements include a link to the *Unaudited Annex to the Statement of Management Responsibility Including Internal Control over Financial Reporting, Fiscal Year 2015-16*. Audited financial statements are prepared in accordance with Section 6.4 of the Treasury Board of Canada's *Policy on Special Revenue Spending Authorities*.[xvi]

Financial Statements Highlights

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results (Restated)	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses[1]	59,648,376	55,479,026	55,198,853	(4,169,350)	280,173
Total revenues[2]	(55,062,344)[3]	(79,022,396)	(77,434,468)	(23,960,052)	(1,587,928)
Net cost of operations before government funding and transfers	4,586,032	(23,543,370)	(22,235,615)	(28,129,402)	(1,307,755)

Notes:

1. Total expenses include workers' compensation benefits paid by Employment and Social Development Canada to provincial Workers' Compensation Boards and Commissions for handling of claims filed under the *Government Employees Compensation Act*.
2. Total revenues excludes appropriation revenues.
3. 2015-16 planned results total revenues have been restated from total revenues of the future-oriented statement of operations to exclude appropriations.[xvii]

2015-16 Actual to 2015-16 Planned

The net cost of operations before government funding and transfers for 2015-16 actual spending is $(23.543) million, a decrease of $28.129 million from planned results of $4.586 million. This is due to:

a. decreased actual spending of $4.169 million as compared to planned spending primarily related to:
   - decreased spending of $3.861 million in salary expenditures as a result of delays in staffing;
   - decreased spending of $0.794 million in amortization due to delays in investment in infrastructure; and
   - increased spending of $0.486 million due to operational requirements related to the "investing in stakeholder relations" organizational priority.

b. increased actual revenue of $23.960 million as compared to planned revenue primarily due to increased grain volumes handled. During 2015-16, actual grain volumes handled (38.428 million metric tonnes) were 15.175 million metric tonnes more than planned grain volumes (23.253 million metric tonnes).

2015-16 Actual to 2014-15 Actual

The net cost of operations before government funding and transfers for 2015-16 is $(23.543) million, a decrease of $1.308 million from 2014-15. This is due to:

a. increased revenues of $1.588 million in 2015-16 as compared to 2014-15 primarily due to increased grain volumes handled. During 2015-16, the CGC handled 0.491 million metric tonnes of grain more than were handled in 2014-15; and
b. increased spending of $0.280 million in 2015-16 as compared to 2014-15 primarily due to costs for implementing SAP as the CGC's new financial system.

Condensed Statement of Financial Position (unaudited) As at March 31, 2016 (dollars)

Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	10,958,682	11,399,272	(440,590)
Total net financial assets	11,284,624	9,532,270	1,752,354
Departmental net debt	(325,942)	1,867,002	(2,192,944)
Total non-financial assets	7,927,265	8,627,021	(699,756)
Departmental net financial position	8,253,207	6,760,019	1,493,188

The departmental net financial position in 2015-16 was $8.253 million, an increase of $1.493 million from 2014-15 departmental financial position of $6.760 million. This is primarily due to an increase in total net financial assets of $1.752 million primarily as a result of increased trade receivables from handling an additional 0.491 million metric tonnes of grain.

Section III: Analysis of Programs and Internal Services

Programs

Quality Assurance Program

Description

The CGC's quality assurance program is delivered pursuant to the *Canada Grain Act* and the *Canada Grain Regulations*. This program assures consistent and reliable grain quality that meets the needs of international and domestic markets. Grain quality refers to end-use processing quality, grain safety and cleanliness, and, in some cases, the composition of varieties in shipments of grain. Provision of grain inspection, grain safety, grain sanitation, grading and analytical services, as well as strong scientific and technical support programs and services are integral components to the overall delivery of an effective quality assurance program. The program includes a complaints resolution process for resolving customer complaints and disputes with respect to grain quality assurance. An effective grain quality assurance program is a key factor in permitting Canadian exporters to market successfully in competitive international grain markets and is essential for producers to realize maximum value from their grain. The quality assurance program is funded by revolving fund revenue.

Program Performance Analysis and Lessons Learned

The Quality Assurance Program directly supports the delivery of the CGC's mandate and is necessary for the CGC to achieve its strategic outcome of assuring Canada's grain is safe, reliable and marketable. During 2015-16, the CGC continued to provide all inspection services in accordance with its ISO 9001:2008 quality management system to ensure consistent and reliable quality assurance of Canadian grain shipments. The CGC certified the quality of 1,733 cargoes representing 38,168,516 tonnes of Canadian export grain. The CGC investigated complaints from buyers regarding two of those cargoes. Upon thorough investigation of the loading process, including analysis of cargo samples and vessel loading documentation, the CGC's Chief Grain Inspector concluded that none of the complaints were justifiable.

During 2015-16, the CGC continued to liaise with other federal government departments (e.g. CFIA, AAFC, Health Canada, Foreign Affairs, Trade and Development Canada), the Canadian grain handlers and processors, producers, and international agencies concerning grain quality and safety matters and trade implications. In addition, the CGC continued efforts to clarify its role within the industry and among other government departments. Feedback and input received served as a foundation for developing services and processes to better meet stakeholder expectations in accordance with that role. Additional information on the activities and services that contribute to the Quality Assurance Program[xviii] is available on the CGC website.

2015-16 actual spending is $4.529 million less than 2015-16 planned spending. This is primarily due to decreased operational spending in staffing and project delays for infrastructure renewal.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Program expenditure spending	30,665,359	30,665,359	30,665,359	26,136,529	(4,528,830)
Revolving Fund					
Total revenue	(30,665,359)	(30,665,359)	(30,665,359)	(68,027,204)	(37,361,845)
Surplus to fund future expenditures	-	-	-	(23,997,705)	(23,997,705)
Revenue allocated to (from) other programs	-	-	-	17,892,970	17,892,970
Revenue used to offset expenditures	(30,665,359)	(30,665,359)	(30,665,359)	(26,136,529)	4,528,830
Voted and Statutory					
Voted and Statutory Spending	-	-	-	-	-

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
226	215	(11)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Consistent and reliable grain quality and grain safety assurance to meet the needs of domestic and international markets	Number of justified cargo complaints due to a breakdown in CGC quality and/or safety assurance	Zero	Zero
	Number of instances where buyers are dissatisfied with CGC standards, methods or procedures used to ensure a safe and dependable commodity for domestic and export markets	Zero	Zero

Quantity Assurance Program

Description

The CGC's quantity assurance program is delivered pursuant to the *Canada Grain Act* and the *Canada Grain Regulations*. The services delivered under this program facilitate the official weighing of export shipments of grain discharged from terminal elevators and the issuance of accompanying quantity assurance documentation. This program ensures international grain buyers and end users that Canadian export grain shipments are accurately weighed and that the weighed product is delivered to conveyances as reported on CGC documentation. The program includes weighing systems certifications at terminal elevators, input into weighing equipment requirements and device inspection frequency at primary elevators to ensure accurate weighing of producer deliveries, and a quantity assurance dispute resolution process. To maintain relevancy and to address constantly changing industry demands, the quantity assurance program is supported through legislative requirements and technically based responsibilities. The quantity assurance program is funded by revolving fund revenue.

Program Performance Analysis and Lessons Learned

The CGC continued to deliver all weighing services in accordance with its ISO 9001:2008 quality management system to ensure consistent and reliable quantity assurance of Canadian grain shipments and to meet the legislative requirements of the *Canada Grain Act*. This includes regular review of quantity assurance processes allowing the CGC to adjust service procedures and identify or adjust training as necessary.

During 2015-16, the CGC investigated two weight-related cargo complaints. Upon thorough review and analysis, the CGC concluded that the original statement of quantity for both shipments was correct. The CGC continued to work closely with producers, industry stakeholders, Measurement Canada, AAFC, and other government departments and agencies to establish and maintain grain quantity assurance standards that evolve with industry grain weighing procedures, equipment standards, and quantity assurance needs. During 2016-17, the CGC plans to introduce quantity assurance audits to ensure compliance with required procedures.

2015-16 actual spending is consistent with 2015-16 planned spending.

Additional information on the activities and services that contribute to the Quantity Assurance Program[xix] is available on the CGC website.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Total Program Expenditure Spending	1,752,902	1,752,902	1,752,902	1,602,533	(150,369)
Revolving Fund					
Total revenue	(1,752,902)	(1,752,902)	(1,752,902)	(5,990,823)	(4,237,921)
Surplus to fund future expenditures	-	-	-	(2,812,544)	(2,812,544)
Revenue allocated to (from) other programs	-	-	-	1,575,746	1,575,746
Revenue used to offset expenditures	(1,752,902)	(1,752,902)	(1,752,902)	(1,602,533)	150,369
Voted and Statutory					
Voted and Statutory Spending	-	-	-	-	-

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
14	14	-

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Consistent and reliable quantity assurance of Canadian grain shipments	Number of justified cargo complaints due to a breakdown in CGC assessment of quantity	Zero justifiable cargo complaints	Zero

Grain Quality Research Program

Description

The *Canada Grain Act* requires the CGC to undertake, sponsor and promote research related to grains. The CGC conducts research in support of Canada's grain quality assurance system to address emerging issues and facilitate the effective marketing of Canadian grain in domestic and international markets. The CGC's Grain Research Laboratory (GRL) researches factors affecting the quality and safety of grain and grain-based products as well as procedures and technologies to quantify those factors. Research in the GRL forms the basis of grade specifications. This program benefits not only the agricultural sector, but also Canadians as consumers of grain products. Close collaboration with Canadian and international scientific, academic, analytical, grain industry organizations, as well as other Canadian government departments (e.g., Agriculture and Agri-Food Canada, Canadian Food Inspection Agency, Health Canada) ensures that the CGC remains abreast of new research developments and is able to adapt research priorities to emerging challenges. The grain quality research program is funded by a combination of revolving fund revenue and appropriations.

Program Performance Analysis and Lessons Learned

During 2015-16, the GRL successfully conducted research in support of grade specifications and the grading system. Scientific information and research results were shared with the scientific community and stakeholders. For example, results were provided to facilitate Western Standards Committee recommendations[xx] and Eastern Standards Committee recommendations[xxi].

The GRL's Crops Section[xxii] scientifically assessed the quality of the 2015 Canadian grain harvest[xxiii], assessed how grading factors affect end-use qualities, researched new uses for Canadian grains, and assessed new and improved methods for evaluating and measuring end-use quality factors for all grains. In addition, new varieties were assessed for quality as part of the variety registration process. This research continues to be a significant factor in permitting effective marketing of Canadian grains and facilitates end-use diversification of Canadian grains.

The GRL's Technologies Section[xxiv] continued efforts to study and develop technologies and methods to assess the quality and safety of Canadian grains. Research efforts are aimed at developing and implementing new and improved methods for evaluating and measuring grain quality and grain safety to increase efficiency, reduce costs and enhance the testing capabilities of the CGC and the Canadian grain industry.

During 2015-16, the GRL undertook a strategic planning session to solicit input from external experts on future direction for scientific research and technology programs at the CGC. CGC scientific research and technology programs were assessed for current and future relevance in-

light of the changing Canadian grain industry. Potential medium and long-term scientific research and technology areas of relevance were then identified. Feedback will be used to improve and enhance CGC scientific research and technology programs going forward. Also in 2015-16, an evaluation was completed on the CGC's annual Harvest Sample Program. An action plan is being developed to identify long term priorities and improve the program.

Detailed information on 2015-16 scientific research highlights, accomplishment and ongoing research projects can be found in the *Grain Research Laboratory Annual Program Report 2015*[xxv]. Additional information on the Grain Quality Research Program[xxvi] is available on the CGC website.

2015-16 actual spending is $0.569 million more than 2015-16 planned spending. This is primarily due to an increase in allocation of rent expenditures.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Total Program Expenditure Spending	7,437,753	7,437,753	7,564,193	8,006,761	569,008
Revolving Fund					
Total revenue	(2,207,576)	(2,207,576)	(2,207,576)	(211,170)	1,996,406
Surplus to fund future expenditures	-	-	-	-	-
Revenue allocated to (from) other programs	-	-	-	(2,450,338)	(2,450,338)
Revenue used to offset expenditures	(2,207,576)	(2,207,576)	(2,207,576)	(211,170)	1,996,406
Voted and Statutory					
Voted and Statutory Spending	5,230,177	5,230,177	5,356,617	5,345,253	115,076

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
44	45	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Scientific information is available to support and inform GQAS decision making	Number of instances where timely and appropriate scientific information is not available to support and inform GQAS decision making	Zero instances	Zero
Domestic and international marketers, buyers, and processors have accurate and appropriate scientific information on the quality and safety of Canadian grain	Number of instances where domestic and international marketers, buyers, and processors do not have access to accurate and appropriate scientific information on the quality and safety of Canadian grain	Zero instances	Zero
Threats to Canada's GQAS from registration of new varieties are minimized	Number of complaints from end-users of Canadian grain on the quality of newly registered varieties	Zero complaints	Zero

Producer Protection Program

Description

Pursuant to the *Canada Grain Act* and *Canada Grain Regulations*, the CGC has implemented a number of programs and safeguards to ensure that grain producers are properly compensated for grain delivered to licensed grain companies. These include the licensing and security program, allocation of available producer cars for producers and producer groups that wish to ship their own grain, and producer liaison measures including education and a grain grade reinspection system. In addition, the CGC collects and updates grain quality data and grain handling information to facilitate producer sales and marketing decisions. The producer protection program is funded by revolving fund revenue.

Program Performance Analysis and Lessons Learned

During 2015-16, the CGC continued to investigate opportunities to adjust and adapt producer protection activities and services to be efficient and effective. The CGC continued communication efforts to ensure producers are aware of their rights under the *Canada Grain Act* and to increase awareness of CGC producer protection activities and services. The CGC responded to all inquiries from producers and responded to all producer complaints related to compensation received for the quality and/or quantity of grain delivered within the licensed grain handling system.

As of April 1, 2016, the CGC had issued licences for 338 primary elevators, 45 process elevators, 29 terminal elevators, and 93 grain dealers. The CGC continued to investigate reports of unlicensed companies to determine if they require licensing under the *Canada Grain Act*. In cases where the CGC has determined a licence is required, the licensing process has been initiated. Reports and business records from all licensees were reviewed and 32 licensees were audited by the CGC. During 2015-16 one licensee did not meet producer payment obligations. The claims process for producers who were not paid for their grain deliveries commenced in fiscal year 2016-17. CGC staff responded to all reported instances of licensing non-compliance and continued monitoring activities to mitigate non-payment risks to producers. The CGC continues to investigate opportunities to develop a more cost-effective producer payment protection model.

The CGC received and processed approximately 6,600 producer railway car applications during 2015-16. The CGC responded to all inquiries and concerns with respect to the administration of the allocation of producer cars. There were zero formal complaints received during 2015-16. The CGC made several changes to the producer car program to ensure the program provides timely and efficient service to producers and producer car administrators. This included updates and

improvements to the producer car application process and a redefined and more automated producer car allocation method.

The licensing requirements of the *Canada Grain Act* ensure that producers who deliver to a licenced primary elevator can access their right to be paid on the basis of grade and dockage that is determined by a CGC inspector, rather than by the grain handler. During 2015-16, grain producers submitted 187 samples to the CGC for quality determination under the "subject to inspector's grade and dockage" provision. In addition, 1,007 samples were submitted to the CGC by producers for grading (producer submitted samples).

2015-16 actual spending is consistent with 2015-16 planned spending. Sub-program supporting information[xxvii], including budgetary financial resources, human resources, and performance results, is available on the Canadian Grain Commission's website.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Total Program Expenditure Spending	3,563,722	3,563,722	3,563,722	3,511,286	(52,436)
Revolving Fund					
Total revenue	(3,563,722)	(3,563,722)	(3,563,722)	(2,236,266)	1,327,456
Surplus to fund future expenditures	-	-	-	-	-
Revenue allocated to (from) other programs	-	-	-	(1,275,020)	(1,275,020)
Revenue used to offset expenditures	(3,563,722)	(3,563,722)	(3,563,722)	(2,236,266)	1,327,456
Voted and Statutory					
Voted and Statutory Spending	-	-	-	-	-

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
30	30	-

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Risk to producers of not receiving fair compensation for their grain is mitigated	Percentage of producers who agree that CGC producer protection activities help to reduce the risk of not being fairly compensated for grain delivered into the licensed grain handling system	75 percent	Results are based on a triennial survey. Plans to conduct a survey in 2015-16 were put on hold due to other priorities. The next survey is planned for 2016-17.
Producers are aware of CGC producer protection programs and services	Percentage of producers who are aware of CGC producer protection activities	75 percent	Results are based on a triennial survey. Plans to conduct a survey in 2015-16 were put on hold due to other priorities. The next survey is planned for 2016-17.

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Program Performance Analysis and Lessons Learned

Internal Services include activities and resources that apply across the organization to support and enable delivery of the CGC's strategic outcome and programs. Because internal services are enabling activities, success can be measured based on results achieved with respect to government-wide priorities as well as key organizational priorities, programs and services.

During 2015-16, a key focus of internal services continued to be providing support to achieve results related to the CGC's organizational priorities identified in Section I. This included providing support with respect to adjusting programs, services and costs to remain relevant, developing and implementing plans for infrastructure and technology investment, developing communication materials to support the investing in stakeholder relations priority, and providing tools and resources aimed at ensuring the CGC continues to have a skilled, engaged, and adaptable workforce. During 2015-16, the CGC conducted its first ever program evaluation within the *Policy on Evaluation*. Going forward, the CGC plans to continue with program evaluations as an ongoing function to support program activities, performance measurement, and provide information for decision-making.

During 2015-16, the results of the 2014 Public Service Employee Survey[xxviii] (PSES) were used to identify areas that require improvement and strategies going forward. While the results of the survey were positive, opportunities for improvement include: career development support and promotion opportunities; further efforts by senior management to communicate with staff; address concerns and make decisions that will strengthen and stabilize the organization; manage unsatisfactory performance more effectively; continue efforts to effectively address issues of conflict, harassment and discrimination in the workplace; ensure that workloads are manageable; leverage union-management consultation; and support both informal and formal recourse processes to address workplace issues. Strategies have been developed and included in organizational plans.

Results from the 2015-16 Management Accountably Framework[xxix] (MAF) assessment did not identify any areas of concern that require new effort or attention. The goal of the annual MAF assessment is to improve management and oversight practices as well as support the Government of Canada's strategic direction for management. CGC performance was measured in four core areas: People Management, Financial Management, Information Management and Information Technology (IM/IT), and Planning and Performance. A priority going forward will be development of the Departmental Outcome Framework and Program Inventory in accordance with Treasury Board Secretariat's new *Policy on Results*.

2015-16 actual spending is $1.068 million less than 2015-16 planned spending primarily due to project delays in infrastructure renewal.

Budgetary Financial Resources (dollars)

	2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
Total Program Expenditure Spending	17,117,785	17,117,785	17,191,535	16,049,822	(1,067,963)
Revenue Fund					
Total revenue	(16,872,785)	(16,872,785)	(16,947,046)	(50,611)	16,822,174
Surplus to fund future expenditures	-	-	-	-	-
Revenue allocated to (from) other programs	-	-	-	(15,743,358)	(15,743,358)
Revenue used to offset expenditures	(16,872,785)	(16,872,785)	(16,947,046)	(50,611)	16,822,174
Voted and Statutory					
Voted and Statutory Spending	245,000	245,000	244,489	255,853	10,853

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
90	91	1

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs[xxx] is available on the Canadian Grain Commission's website.

Supplementary Information Tables

The following supplementary information tables[xxxi] are available on the Canadian Grain Commission's website.

- Departmental Sustainable Development Strategy
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- User Fees, Regulatory Charges and External Fees

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Report of Federal Tax Expenditures.[xxxii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

Rémi Gosselin

Manager, Corporate Information Services
Canadian Grain Commission

303 MAIN STREET, Canadian Grain Commission Bldg, Floor 8, Room 801
Winnipeg, Manitoba R3C 3G8
Canada

Telephone : 204-983-2749

Fax : 204-983-6098

Email : contact@grainscanada.gc.ca

CGC website: www.grainscanada.gc.ca[xxxiii]

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*)**:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*)**:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

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[iii] **Quality assurance program**, http://www.grainscanada.gc.ca/quality-qualite/ggm-mgg-eng.htm

[iv] **Quantity assurance program**, http://www.grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm

[v] **Grain quality research program**, http://www.grainscanada.gc.ca/research-recherche/iarm-mrsr-eng.htm

[vi] **Producer protection program**, http://www.grainscanada.gc.ca/producer-producteur/ifpm-mrdp-eng.htm

[vii] **CGC website**, http://www.grainscanada.gc.ca/

[viii] **User Fees Act**, http://laws-lois.justice.gc.ca/eng/acts/U-3.7/

[ix] **Modernize Canada's Wheat Class System**, http://www.grainscanada.gc.ca/consultations/2015/classes-en.htm

[x] **Bill C-48: Modernization of Canada's Grain Industry Act**, http://www.parl.gc.ca/LegisInfo/BillDetails.aspx?Mode=1&billId=6821564&Language=E

[xi] **2014 Public Service Employee Survey**, http://www.tbs-sct.gc.ca/pses-saff/2014/results-resultats/bq-pq/25/index-eng.aspx

[xii] **Minister's mandate letter**, http://pm.gc.ca/eng/node/39961

[xiii] ***Public Accounts of Canada 2016***, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[xiv] **Whole-of-Government Framework**, http://www.tbs-sct.gc.ca/hgw-cgf/finances/rgs-erdg/wgf-ipp-eng.asp

[xv] ***CGC Financial Statements***, http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/crm-mrm-eng.htm

[xvi] ***Policy on Special Revenue Spending Authorities***, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?section=text&id=12248

[xvii] ***Future oriented statement of operations***, http://www.grainscanada.gc.ca/cgc-ccg/cr-rm/foso-aefp/2014/foso-aefp-2014-en.pdf

[xviii] **Quality Assurance Program**, http://www.grainscanada.gc.ca/quality-qualite/ggm-mgg-eng.htm

[xix] **Quantity Assurance Program**, http://www.grainscanada.gc.ca/quantity-quantite/iaqnm-mrsqn-eng.htm

[xx] **Western Standards Committee Recommendations**, http://www.grainscanada.gc.ca/gscommittee-comiteng/wcs-cno/wscr-rcng-eng.htm

[xxi] **Eastern Standards Committee Recommendations**, http://www.grainscanada.gc.ca/gscommittee-comiteng/esc-cne/escr-rcne-eng.htm

[xxii] **Grain Research Laboratory Crops Section**, http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/csm-msdc-eng.htm

[xxiii] **Harvest and export quality reports on Canadian grain**, http://www.grainscanada.gc.ca/quality-qualite/geuq-quf-eng.htm

[xxiv] **Grain Research Laboratory Technologies Section**, http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/tsm-msdt-eng.htm

[xxv] **Grain Research Laboratory Annual Program Report 2015**, http://www.grainscanada.gc.ca/cgc-ccg/grl-lrg/annual/2015grlannual-en.pdf

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[xxix] **Management Accountability Framework**, http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp

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